

May 16th, 2016

Re: Category Change Proposal – Voting Results

The CIFSC has completed a review of the category schema in an effort to better and more appropriately categorize funds. On April 1st, 2016 the committee put forth four category change proposals for a 30 day comment period. Feedback was received and the committee reached a final decision by way of vote as follows. The following changes will take affect with the release of June month-end data:

1. Proposal: New Target Date category segmentation

In order to create more relevant groupings for the Target Date funds the committee is proposing the following categories:

- Short-term Target Date
 - These are target-date funds that mature in 2020 or earlier. This includes any target date funds that are passed their target date but remain active.
- 2025 Target Date
 - These are target-date funds that mature in 2025 or earlier and after 2020.
- 2030 Target Date
 - These are target-date funds that mature in 2030 or earlier and after 2025.
- 2035 Target Date
 - These are target-date funds that mature in 2035 or earlier and after 2030.
- 2035+ Target Date
 - These are target-date funds that mature after 2035.

The committee voted in favour of the Target Date segmentation as proposed.

2. Proposal: Eliminate the Canadian Synthetic Money Market category

The few remaining funds in this category would be moved to Miscellaneous – Income & Real Property unless they meet the definition for another category.

The committee voted in favour of removing the Canadian Synthetic Money Market category.

3. Proposal: Create a Global Infrastructure Equity category

The Global Equity category, and infrastructure funds in particular, have been analyzed extensively over the past few years. The conclusion is that infrastructure funds in general behave differently than typical Global Equity funds in terms of risk-return profile and that segmenting them would create more relevant comparisons for the investor. The category definition would be as follows:

Funds in the Global Infrastructure Equity category must invest at least 10% and less than 90% of their equity holdings in Canada or the U.S. such that their average market capitalization is greater than the small/mid cap threshold. Funds must have a stated mandate to invest in infrastructure related companies and at least 90% of equity holdings must be invested in infrastructure related sectors including but not limited to: Telecom Infrastructure, Utilities Infrastructure, Energy Infrastructure, Transportation Infrastructure and Diversified Infrastructure. Funds that are highly concentrated in one, or relatively few sectors will be placed in the Sector Equity category.

The committee voted in favour of creating the Global Infrastructure Equity category.

A list of funds that would move to the proposed category can be found in **Appendix A**

4. Proposal: Adjust the requirements for the Alternative Strategies category

In order to be consistent with National Instrument 81-102, the committee is proposing to increase the threshold of total short positions to 20% of the portfolio and 5% in any one issuer. The definition would be as follows:

Funds in the Alternative Strategies category employ alternative strategies such as short selling or other forms of leverage. Funds may use speculative strategies as well as hedging strategies. A fund is classified as Alternative Strategies if 1) short selling exceeds 5% in any one security or if total short positions exceed 20% of the total fund value; and/or 2) the fund's investment mandate specifically includes use of alternative strategies.

There are no funds that would move immediately as a result of this change to the definition.

The committee voted in favour of modifying the thresholds in the Alternative Strategies definition.

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APPENDIX A:

Proposed Global Infrastructure Equity Funds	
Fund	Current Category
BMO Global Infrastructure Fund	Global Equity
BMO Global Infrastructure Index ETF	Global Equity
CAN Global Infrastructure Equity (LC)	Global Equity
Desjardins Global Infrastructure Fund	Global Equity
DFS BlackRock Global Infrastructure Index Fund	Global Equity
Dynamic Global Infrastructure Fund	Global Equity
Global Infrastructure Dividend Fund	Global Equity
Investors Global Infrastructure Class	Global Equity
iShares Global Infrastructure Index ETF	Global Equity
Manulife Global Infrastructure Fund	Global Equity
Middlefield Global Infrastructure Fund	Global Equity
Renaissance Global Infrastructure Fund	Global Equity
Russell Global Infrastructure Pool	Global Equity
Sentry Global Infrastructure Fund	Global Equity
Sprott Global Infrastructure Fund	Global Equity